GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4961
ANSWERED ON:10.05.2007
GAIL-RIL AGREEMENT FOR MARKETING OF GAS
Jagannath Dr. M.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether GAIL (India) Ltd. has recently entered into an agreement with Reliance Industries for evacuation and marketing of its Gas from KG basin; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b): A Memorandum of Understanding (MoU) has been entered into between GAIL and Reliance Industries Limited (RIL) on March 15, 2007 with intent to jointly explore and evaluate potential areas of cooperation;

With regard to evacuation and marketing of gas, the MoU provides cooperation in the following areas.

a. Capacity booking by RIL on HVJ/DVPL pipeline system of GAIL to carry gas to northern region.

b. Marketing of mutually agreed volume of Natural Gas.

c. Sharing of pipeline capacity between RIL and GAIL in Andhra Pradesh, Maharashtra and Gujarat on mutually agreed terms and conditions.

d. Development of national gas grid and examine opportunities that may be available for optimal utilization, sharing and interconnectivity of their respective, existing and planned transmission and distribution networks.

The MoU intends to set out guidelines and principles to facilitate further negotiations to conclude a fully-termed and legally binding agreement for cooperation in the identified areas.